UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

IN RE HONEYWELL ERISA LITIGATION	)	MASTER FILE: 03-CV-1214

ORDER APPROVING PLAN OF ALLOCATION

This matter having come before the Court pursuant the Stipulation and Agreement of Settlement dated April 26, 2005, and specifically paragraphs 24-25 thereof, and on Plaintiffs' Notice of Motion in Support of Final Approval of Plan of Allocation served __________, 2006, and the matter having been heard and good cause appearing,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

I. Definitions

A. Except as indicated in this Plan of Allocation, the capitalized terms used herein shall have the meanings ascribed to them in the Stipulation of Settlement.

B. The "Plans" means the Honeywell Savings and Ownership Plans I and II and/or the predecessor plans named the Data Instruments, Inc. Employee Stock Ownership Plan, the Honeywell DMC Savings Plan, and the Honeywell Savings and Stock Ownership Plan.

C. The "Settlement Class Period" means December 20, 1999 to February 28, 2005, as defined in the Stipulation and Agreement.

D. "Participant" means a person who was a participant, as that term is understood under the Employee Retirement Income Security Act of 1974 ("ERISA"), in any of the Plans during the Settlement Class Period.

II. Notice and Estimated Plan Administrative Costs

A. Pursuant to and in full compliance with Rule 23 of the Federal Rules of Civil Procedure, this Court hereby finds and concludes that due and adequate notice was directed to all persons who are Settlement Class members who could be identified with reasonable effort, advising them of the Plan of Allocation and of their right to object thereto, and a full and fair opportunity was accorded to all members of the Settlement Class to be heard with respect to the Plan of Allocation.

B. The accrued and estimated Plan Administration Costs are reasonable and appropriate given the scope and the size of the proposed Settlement Class, negotiated relief and the related costs of providing adequate notice.

III. Calculation of Allocation

A. For each Participant, the Claims Administrator shall determine the approximate net loss ("Net Loss"): Net Loss = A + B - C - D, where, for each Participant's account:

1. A = the dollar value, if any, of the balance in Honeywell stock on the first day of the Class Period;
2. B = the dollar value, if any, of all of the purchases of Honeywell stock during the Class Period as of the time of purchase(s);
3. C = the dollar value, if any, of all dispositions of Honeywell stock during the Class Period as of the time of the sale(s); and
4. D = the dollar value, if any, of Honeywell stock remaining on the last day of the Class Period.

B. The Net Losses of the Participants as calculated in Section A above will be totaled to yield the loss of the Plans as a whole over the Class Period (the "Plans' Loss").

C. The Claims Administrator shall calculate for each Participant his or her "Preliminary Fractional Share" of the Plans' Loss, *i.e.*, by dividing each Participant's Net Loss by the Plans' Loss.

D. The Claims Administrator shall then calculate for each Participant his "Preliminary Dollar Recovery" of the Net Settlement Fund by multiplying the Participant's Preliminary Fractional Share by the Net Settlement Fund.

E. The Claims Administrator shall identify all Participants whose Preliminary Dollar Recovery is greater than zero but less than ten dollars ($10.00) (the "*De Minimus* Amount"). All such Participants shall receive an allocation from the Net Settlement Fund of the *De Minimus* Amount.

F. The Claims Administrator shall then, taking into account the Participants who receive the *De Minimus* Amount, recalculate the Preliminary Fractional Shares and the Preliminary Dollar Recoveries as many times as necessary so as to arrive at the "Final Fractional Share" and the "Final Dollar Recovery" for each Participant. The sum of the Final Dollar Recoveries must equal the Net Settlement Fund.

IV. Distribution of the Allocated Amounts

A. As soon as practicable after the calculations pursuant to section III, *supra*, the Claims Administrator shall pay the Net Settlement Fund, less the Plans-related expenses associated with implementing the Plan of Allocation, into the Plans (*i.e.*, the sum of the Final Dollar Recoveries for the Plans' Participants going into the Plans). The Plan Administration Costs, which are allowable under paragraphs 14-15 and 24-25 of the Stipulation and Agreement, have been requested by the Plans' Personnel and the entities that have assisted the Plans' Personnel in connection with the Settlement. Specifically, the requests are as follows: (1) Plans' Plan Administration Costs – $48,426 to date (as explained and supported by the Affidavit of Jeanine Studley); (2) CitiStreet's Plan Administration Costs - $148,939.05 through June 23, 2006 and $ 513,784.30 estimated through completion (as explained and supported by the Affidavit of Andrea B. Walston dated August 17, 2006); and (3) The Garden City Group's Claim Administration fees and expenses through August 1, 2006 in the amount of $212,688.82 (as explained and supported by the Affidavit of Randi Alarcon Collotta dated August 17, 2006). These requests are fair and reasonable under the circumstances and are supported by the affidavits accompanying the requests. Accordingly, the Court authorizes payment of the requested Plan Administration Costs from the Escrow Account without further order of the Court.

B. *Current Participants*. As promptly as possible after deposit of the Net Settlement Fund into the Plans, the Plan Administrator(s) of the Plans shall deposit into each current Participant's account his or her Final Dollar Recovery as calculated above less any expenses or administrative charges approved by the Court. The deposited amount shall be allocated among the Participant's investment options in accordance with the existing investment elections then in effect and treated thereafter for all purposes under the Plans as assets of the Plans properly credited to that Participant's account.

C. *Former Participants*. With respect to former Participants who withdrew their accounts after the beginning of the Settlement Class Period but prior to the entry of the instant Order, the Plan Administrator(s) of the Plans will establish an account for each former Plan participant, and each participant will be notified of such account along with further instructions.

V. Qualifications and Continuing Jurisdiction

A. In light of the manner in which the data is kept and the ease with which it can be manipulated, it may be appropriate to simplify some of the features of these calculations. Such simplifications are acceptable as long as the two basic features of the distribution are preserved: (1) that each Participant receives a share of the Net Settlement Fund based approximately on the decline in the value of Honeywell stock held over the Class Period in comparison with the decline in value of Honeywell stock held by others; and (2) that the distribution take place through the Plans so as to realize the tax advantage of investment in the Plans. Any such changes will be presented to the Court for approval pursuant to section V.B below.

B. The Court will retain jurisdiction over the Plan of Allocation to the extent necessary to ensure that it is fully and fairly implemented.

SO ORDERED this__day of ________, 2006

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HON. DICKINSON R. DEBEVOISE
UNITED STATES DISTRICT JUDGE